

Summary of Stakeholder Comments on Design of Auction for Regional Greenhouse Gas Initiative

Commenter	<i>Auction Format</i>	<i>Timing of Auctions</i>	<i>Setting a Reserve Price</i>	<i>Unsold Allowances</i>	<i>Auction Participation</i>	<i>Market Monitoring</i>
AES North America	Uniform price; single round sealed bid	Quarterly regular & forward auctions	None or independently set; 50%<ICF modeling<150%	Rolled into next auction	Closed; limit to historical need +5%, not 33% of auction	Don't implement until add. Rules developed
Barclays Capital			If based on spot market, then clearly define how to calculate	Retired or rolled into next auction; DO NOT deposit into contingency bank	Open; broad	Publicly update emissions data
Clean Water Action			"appropriate"	Retire		Publicly update emissions data; prevent market manipulation
Conservation Law Foundation			"critically important"	Conting. bank may have merit	Open to those that qualify financially; impossible to close; include all states	(1) real-time; (2) on-going; (3) periodic audits don't disclose too much info
Constellation Energy	Similar to power auctions, uniform price; single round sealed bid; pro-rate ties	Quarterly regular & forward auctions; 4 years in advance	None; address collusion by monitoring		Open to those that qualify financially, but 33% limit must not restrict ability to comply; include all states	Well defined, clear rules & monitoring; non-disclosure of beneficial ownership; detailed disclosure of bids
Entergy	uniform	Forward auctions 1 year in advance, not 4; <50% sold in advance	Yes, at a level to maintain min. ROP emissions reduction; don't publicize	Retire 90%; bank 10%, >\$10 trigger for release, retire after 2 years, PUC & ISO decide	Open to those that qualify financially	Do not disclose individual bids

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Environment Northeast	Uniform price; single round sealed bid	Quarterly regular & forward auctions	Higher of \$3 or 80% of spot market price	Prefer retire, but if not then >\$20 trigger for release	Include all states	Publicly update emissions data; Hire independent market monitor
FirstLight			None		Closed; Include all states	
FPL Energy	Similar to power auctions, uniform price; single round sealed bid	Monthly regular & forward auctions; 4 years in advance	None or \$0, but if used then disclosed in advance	Rolled into next auction	Closed; limit to 50% of historical annual need not 33% of auction; include all states	Severe penalties like ban from next auction; keep identities of winning bidders confidential
Independent Power Producers of NY	Similar to power auctions, uniform price; single round sealed bid	Monthly regular & forward auctions	Price cap instead; if reserve price then < cost of options to comply	Rolled into next auction	Closed; re-evaluate 33% limit; include all states	Allow for waivers, like Maine
Electrical Workers			None		Open to those that qualify financially; lower 33% limit to 15% to 20%	
ISO-NE/NY	Ascending clock auction for better price discovery	Quarterly regular & forward auctions; 4 years in advance	Formula for setting reserve price	Formula for rolling into future auctions	Open to those that qualify financially; 33% limit	Also disclose aggregate demand for prices below clearing price

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Sierra Club			Do not disclose, Variable, based on market prices, at a level that ensures adequate revenue	retire		
Multiple Intervenors			None, but add ceiling price	No bank; roll into next auction		
New England Power Generators Association	Similar to power auctions, uniform price; single round sealed bid	Quarterly regular & forward auctions; 4 years in advance	none	Rolled into next auction	Do not create barrier for generators	Stringent monitoring
Northeast GHG Coalition			None, but if used set at ICF modeling range = \$2 to \$3 and disclose in advance, add ceiling price	Contingency bank, trigger < \$7	97.2% closed for 3 years, then open, financial qualification	Develop clear rules with ongoing evaluation, disclose results
Northeast Suppliers	Similar to power auctions, uniform price; single round sealed bid	Quarterly regular & forward auctions; 4 years in advance, move ahead one quarter	none, but if used set at ICF modeling range = \$2 to \$4, resume stakeholder process, add price cap	Rolled into next auction	2 phased approach, phase 1 closed and limit to historical annual need, phase 2 open	Develop clear rules with ongoing independent evaluation

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NRG Energy	Similar to power auctions, uniform price; single round sealed bid, pro-rate ties	Quarterly regular & forward auctions; 4 years in advance, move ahead one quarter	none, but if used set at 50% of ICF modeling price (\$2) or \$1 and disclose in advance	Rolled into next auction, increase lot size from 1,000 to 5,000	Closed, include all states	Develop clear rules with ongoing independent evaluation
Pace University			“administratively determined” rather than market-based	Retire first 3 years, then Contingency bank, release at \$10		stringent monitoring
Power Auctions	Ascending clock auction for better price discovery	Quarterly simultaneous single auction for multi vintages	yes	Rolled into next auction	Open to those that qualify financially, limit based on historical need not 33% of auction, include all states	Stringent monitoring, Also disclose aggregate demand for prices below clearing price
The Nature Conservancy			yes	Prefer to retire, but OK to bank, release at trigger	include all states	Publicly update emissions data; monitor market
Union of Concerned Scientists	uniform price; single round sealed bid	Quarterly regular & forward auctions; 4 years in advance	\$3	Prefer to retire, but OK to bank, release at \$10	Open to those that qualify financially, include all states	Publicly update emissions data; monitor market, severe penalties